news from Dun & Bradstreet
A subsidiary of The Dun & Bradstreet Corporation
Business Economics Division
99 CHURCH STREET NEW YORK N.Y. 10007
(212) 285-7417

FOR RELEASE
Nov. 5, 1979

Monthly
Failures

K-21 No. 4

MONTHLY FAILURES STEADY IN NUMBER BUT LIABILITIES CLIMB SHARPLY

NEW YORK, November 5 -- Holding near a 21-month high, commercial and industrial failures totalled 734 in April, a fraction above the 732 in March, reports Dun & Bradstreet. Some 23.6 per cent more business casualties occurred than in the comparable month last year when 594 concerns went under.

Dollar liabilities involved in the April failures jumped to $242.8 million, the heaviest volume in thirteen months. This was 29.3 per cent larger than the $187.8 million incurred in March, with a big boost in the size of million dollar bankruptcies. There was little change in the number of these large casualties, 35 vs. 34, but their aggregate volume bulged to $141 million vs. $80 million.

In manufacturing, retailing and construction, casualties held relatively even in April from a month earlier.. While failures of wholesalers declined, notably in the machinery trade, failures of service concerns climbed the highest since August 1977 with the upswing concentrated in business services.

More businesses failed than in the comparable month a year ago in all functions. Manufacturing led with a climb of some 40 per cent, lifted primarily by the lumber and machinery industries. Meantime, construction and retailing casualties climbed 23 per cent from '78 levels, with the construction rise centered in subcontracting in contrast to the retail increase which spread across several lines -- automotive, furniture, drugs and restaurants.

Six geographic regions showed a slowing in business failures between March and April but that easing was counterbalanced by increases in the three other major regions. In the East North Central and Pacific States tolls hit the highest level in two years, in the Middle Atlantic States in one year. New York, Michigan, Wisconsin and Washington were primarily responsible for the upsurge in these areas. However, casualties were heavier than April a year ago in all except the New England and West South Central Regions.

# # #

INDUSTRY AND TRADE	NUMBER OF FAILURES				LIABILITIES (In Thousands of Dollars)			
	APRIL		FOUR MONTHS		APRIL		FOUR MONTHS	
	1979	1978	1979	1978	1979	1978	1979	1978
MINING AND MANUFACTURING								
Mining-Coal, Oil, Miscellaneous	4	8	21	31	1,142	17,590	10,311	109,195
Food & Kindred Products	5	10	10	24	566	16,351	15,830	23,345
Textile Mill Products & Apparel	10	16	36	57	20,958	19,575	52,084	56,264
Lumber & Lumber Products	12	4	45	30	4,461	701	16,246	74,305
Paper, Printing & Publishing	12	8	32	34	1,095	1,132	15,079	6,250
Chemicals & Allied Products	5	5	14	15	5,510	11,907	10,902	19,440
Leather & Leather Products	1	2	2	4	18	1,095	35	1,173
Stone, Clay & Glass Products	1	5	10	20	317	507	9,126	1,265
Metals, Primary & Fabricated	10	6	30	27	4,944	5,052	12,486	15,601
Machinery	23	11	67	49	9,147	4,126	66,664	95,666
Transportation Equipment	6	2	17	14	10,305	850	20,904	7,922
Miscellaneous	24	4	61	17	12,157	1,419	25,051	67,752
TOTAL MINING & MANUFACTURING	114	91	345	392	72,644	79,094	252,436	436,726
WHOLESALE TRADE								
Food & Farm Products	16	12	55	47	9,992	7,306	36,052	14,255
Apparel	3	3	14	12	867	545	2,660	4,020
Dry Goods	2	3	6	9	255	450	2,369	2,499
Lumber Building Materials & Hardware	6	8	22	21	940	2,259	5,406	15,064
Chemicals & Drugs	4	5	11	12	3,536	1,544	10,341	21,265
Motor Vehicles & Auto Equipment	5	5	21	17	410	315	5,574	2,932
Electrical Goods	5	6	22	29	969	1,290	5,005	4,141
Furniture & Furnishings	5	4	15	16	376	2,059	4,488	5,305
Machinery, Equipment & Supplies	19	11	54	50	4,296	11,390	15,267	30,179
Miscellaneous	20	17	60	62	8,151	14,514	55,619	27,066
TOTAL WHOLESALE TRADE	85	74	280	275	30,502	55,114	146,481	134,699
RETAIL TRADE								
Food & Liquor	36	34	121	96	1,572	2,230	10,692	11,527
General Merchandise	6	8	23	30	643	638	9,365	22,320
Apparel Accessories	40	33	162	164	4,233	2,477	17,102	16,244
Furniture & Home Furnishings	33	40	105	137	6,365	5,462	25,084	14,672
Lumber, Building Materials & Hardware	12	13	37	46	1,502	802	11,245	9,976
Automotive Group	49	56	135	144	9,750	11,645	25,765	24,197
Eating & Drinking Places	62	50	222	161	3,455	3,741	11,566	26,070
Drug Stores	5	4	23	20	642	2,428	2,706	5,050
Miscellaneous	67	53	201	170	9,720	5,649	29,029	17,095
TOTAL RETAIL TRADE	317	291	1,159	1,078	42,320	35,124	206,619	169,056
CONSTRUCTION								
General Building Contractors	57	45	231	168	10,231	10,619	49,244	51,957
Building Sub-Contractors	70	60	255	205	7,118	12,672	36,030	33,041
Other Contractors	5	4	26	13	7,967	1,145	15,307	4,296
TOTAL CONSTRUCTION	132	109	492	386	25,316	24,436	95,581	79,294
COMMERCIAL SERVICE								
Passenger & Freight Transportation	21	20	74	64	36,851	13,481	52,572	56,331
Miscellaneous Public Services	—	1	—	3	—	100	342	779
Hotels	5	1	9	12	3,962	527	4,657	14,456
Cleaning, Dyeing & Repairing	2	2	11	7	57	1,379	553	1,344
Laundries	—	4	—	8	—	401	—	590
Funeral Services	1	—	2	2	55	—	60	294
Other Personal Services	1	1	20	17	600	800	2,830	1,171
Business Services	44	51	117	111	30,674	7,426	34,165	25,566
Repair Services	14	12	45	56	845	1,175	2,241	5,264
TOTAL COMMERCIAL SERVICE	92	92	278	280	73,044	25,289	97,420	105,745
TOTAL UNITED STATES	734	694	2,653	2,523	242,764	202,990	796,634	900,724

APPARENT ANNUAL NUMBER OF FAILURES PER 10,000 LISTED ENTERPRISES

	UNADJUSTED INDEX			ADJUSTED INDEX		
	1979	1978	1977	1979	1978	1977
January	27.7	21.8	20.7	27.4	21.6	21.4
February	27.8	27.4	34.0	24.4	24.0	29.6R
March	30.1	26.5	34.6	27.0	24.6	32.5
April	32.1	29.5	33.6R	30.0	24.1	31.7R
May		24.5	31.4		23.4	30.2
June		21.7	30.5		21.9	30.0
July		20.2	22.2		22.0	24.4
August		27.4	27.6		29.6	29.7
September		20.5	24.5		22.6	27.0
October		21.0	25.7		22.5	24.2
November		26.0	29.1		25.2	27.0
December		24.4	24.2R		26.4	24.7R
Mo. Average		25.9	28.4			

DUN'S FAILURE INDEX RELATES THE NUMBER OF FAILURES IN EACH MONTH TO THE NUMBER OF INDUSTRIAL AND COMMERCIAL ENTERPRISES LISTED IN THE DUN & BRADSTREET REFERENCE BOOK. IT SHOWS THE ANNUAL RATE AT WHICH BUSINESS CONCERNS WOULD FAIL IF THE NUMBER OF FAILURES AND CONCERNS LISTED IN THAT MONTH PREVAILED FOR AN ENTIRE YEAR. THE INDEX IS EXPRESSED AS THE ANNUAL NUMBER OF FAILURES PER 10,000 LISTED INDUSTRIAL AND COMMERCIAL ENTERPRISES.

THE "UNADJUSTED" FIGURES HAVE BEEN SLIGHTLY ADJUSTED TO EQUALIZE, IN SO FAR AS POSSIBLE, THE NUMBER OF WORKING DAYS IN EACH MONTH. SEASONAL FLUCTUATIONS HAVE BEEN REMOVED IN THE ADJUSTED INDEX BY THE METHOD OF DEVIATIONS FROM A TWELVE-MONTH MOVING AVERAGE.

	NUMBER OF FAILURES			LIABILITIES (In Thousands of Dollars)		
	1979	1978	1977	1979	1978	1977
January	642	504	664	192,220	160,300	168,559
February	545	559	695	177,087	205,014	194,197
March	732	666	959	187,765	324,412	248,106
April	734	534	804	242,764	202,990	207,272
May		503	724		160,395	475,306
June		519	730		176,039	305,080
July		458	515		231,921	577,025
August		675	667		206,305	350,252
September		459	560		127,022	86,994
October		511	546		475,5429	115,692
November		556	621		179,955	200,287
December		193	517		198,538	160,317
Total		6,619	7,919		2,686,0068	3,095,517

BUSINESS FAILURES INCLUDE THOSE BUSINESSES THAT CEASED OPERATIONS FOLLOWING ASSIGNMENT OR BANKRUPTCY; CEASED WITH LOSS TO CREDITORS AFTER SUCH ACTIONS AS EXECUTION, FORECLOSURE, OR ATTACHMENT; VOLUNTARILY WITHDREW LEAVING UNPAID OBLIGATIONS, WERE INVOLVED IN COURT ACTIONS SUCH AS RECEIVERSHIP, REORGANIZATION, OR ARRANGEMENT; OR VOLUNTARILY COMPROMISED WITH CREDITORS OUT OF COURT.

LIABILITIES, AS USED IN THE FAILURE RECORD, HAVE A SPECIAL MEANING: THEY INCLUDE ALL ACCOUNTS AND NOTES PAYABLE AND ALL OBLIGATIONS, WHETHER IN SECURED FORM OR NOT, KNOWN TO BE HELD BY BANKS, OFFICERS, AFFILIATED COMPANIES, SUPPLYING COMPANIES, OR THE GOVERNMENT. THEY DO NOT INCLUDE LONG-TERM, PUBLICLY-HELD OBLIGATIONS. OFFSETTING ASSETS ARE NOT TAKEN INTO ACCOUNT.

UNITED STATES FAILURES BY STATES -- APRIL 1979

REGIONS AND STATES	NUMBER OF FAILURES: APRIL 1979	APRIL 1978	FOUR MONTHS 1979	FOUR MONTHS 1978	LIABILITIES (In Thousands of Dollars): APRIL 1979	APRIL 1978	FOUR MONTHS 1979	FOUR MONTHS 1978
MAINE	5	---	10	14	561	---	995	5,025
NEW HAMPSHIRE	1	5	7	9	5,594	507	4,180	629
VERMONT	1	2	5	4	17	94	71	526
MASSACHUSETTS	15	31	67	122	6,923	9,599	20,744	51,635
CONNECTICUT	4	5	27	24	256	829	5,303	2,202
RHODE ISLAND	---	---	1	9	---	---	736	1,909
TOTAL NEW ENGLAND	24	41	115	197	13,351	10,129	30,017	60,065
NEW YORK	40	61	225	252	55,180	26,634	102,555	206,724
NEW JERSEY	29	33	114	139	16,302	20,602	52,041	77,141
PENNSYLVANIA	32	34	131	121	20,106	39,552	70,440	60,183
TOTAL MIDDLE ATLANTIC	141	128	469	460	90,188	86,468	225,036	344,048
OHIO	32	27	101	89	5,494	2,028	29,194	10,574
INDIANA	16	9	57	52	5,951	1,103	19,752	4,956
ILLINOIS	36	36	141	150	6,675	15,166	32,755	53,591
MICHIGAN	62	22	175	111	9,958	2,179	59,941	22,144
WISCONSIN	12	5	41	21	1,109	540	5,655	2,524
TOTAL EAST NORTH CENTRAL	159	99	515	432	29,065	21,415	144,255	105,359
MINNESOTA	27	14	92	59	5,499	2,231	16,968	7,141
IOWA	6	3	27	17	324	459	5,995	2,039
MISSOURI	2	15	22	26	402	1,467	3,190	3,819
NORTH DAKOTA	3	---	11	4	716	---	2,025	299
SOUTH DAKOTA	3	2	11	11	619	6,459	4,165	1,575
NEBRASKA	10	6	26	26	720	321	2,986	69,629
KANSAS	7	19	56	22	472	1,998	8,659	4,265
TOTAL WEST NORTH CENTRAL	55	51	215	165	8,752	13,435	50,774	94,567
MARYLAND	19	1	52	33	5,499	250	10,065	1,915
DELAWARE	---	---	6	---	---	---	1,109	---
DISTRICT OF COLUMBIA	5	---	6	---	1,265	---	1,355	---
VIRGINIA	16	11	57	25	5,109	1,956	6,995	5,624
WEST VIRGINIA	2	2	10	6	231	791	6,704	1,392
NORTH CAROLINA	9	---	55	6	5,461	---	5,960	649
SOUTH CAROLINA	---	1	2	5	---	125	12,042	516
GEORGIA	9	5	51	23	1,187	5,504	11,461	17,065
FLORIDA	9	20	51	72	3,139	5,201	17,216	14,778
TOTAL SOUTH ATLANTIC	69	40	220	170	19,979	13,654	72,795	39,715
KENTUCKY	4	9	10	21	461	1,160	5,676	5,397
TENNESSEE	11	9	50	60	1,570	6,765	7,660	11,945
ALABAMA	13	4	30	35	1,660	292	7,751	5,621
MISSISSIPPI	1	2	13	4	26	104	5,126	1,548
TOTAL EAST SOUTH CENTRAL	29	24	141	120	5,142	8,321	24,219	22,509
ARKANSAS	4	5	25	22	1,199	166	2,925	5,715
OKLAHOMA	4	17	45	66	939	2,099	11,838	8,293
LOUISIANA	12	3	39	32	5,662	15,936	30,354	22,555
TEXAS	34	42	168	121	29,600	7,695	79,766	57,804
TOTAL WEST SOUTH CENTRAL	64	71	295	241	35,429	25,897	104,963	72,367
MONTANA	6	5	13	9	1,170	390	1,901	615
IDAHO	1	---	9	7	127	---	1,079	621
WYOMING	---	---	2	2	---	---	1,626	144
COLORADO	11	2	32	9	1,211	295	6,981	450
NEW MEXICO	---	---	5	---	---	---	174	---
ARIZONA	---	7	14	22	---	1,661	773	5,716
UTAH	---	---	6	---	---	---	660	---
NEVADA	2	---	11	6	159	---	1,275	412
TOTAL MOUNTAIN	20	14	98	52	2,667	2,346	14,569	7,958
ALASKA	---	---	---	1	---	---	---	10
HAWAII	5	1	14	4	2,271	1,600	2,775	2,665
WASHINGTON	51	36	114	104	2,702	7,665	15,570	21,155
OREGON	16	9	57	42	3,543	317	8,085	5,225
CALIFORNIA	109	91	299	303	36,392	15,414	106,259	123,272
TOTAL PACIFIC	181	126	584	454	46,912	25,264	155,489	156,108
25 LARGEST CITIES								
NEW YORK, NEW YORK	56	53	173	154	49,881	24,979	93,555	196,097
CHICAGO, ILLINOIS	10	10	40	36	1,326	2,035	10,596	28,629
LOS ANGELES, CALIFORNIA	9	10	29	36	1,717	5,945	8,207	67,212
PHILADELPHIA, PENNSYLVANIA	5	9	31	45	550	16,705	22,064	22,896
DETROIT, MICHIGAN	7	4	22	16	791	595	5,605	5,480
HOUSTON, TEXAS	10	10	36	27	4,160	1,089	10,985	15,515
BALTIMORE, MARYLAND	7	---	21	16	2,565	---	5,648	713
DALLAS, TEXAS	9	6	29	23	13,755	1,401	27,671	9,755
WASHINGTON, D. C.	5	---	7	---	1,265	---	1,650	---
CLEVELAND, OHIO	4	1	10	10	349	15	1,234	706
INDIANAPOLIS, INDIANA	3	2	10	13	660	40	2,257	4,322
MILWAUKEE, WISCONSIN	3	2	6	9	457	161	752	997
SAN FRANCISCO, CALIFORNIA	1	2	19	15	2,614	81	12,412	5,148
SAN DIEGO, CALIFORNIA	1	---	4	---	165	---	585	---
SAN ANTONIO, TEXAS	1	---	10	---	692	---	2,175	---
BOSTON, MASSACHUSETTS	3	2	12	12	5,156	111	4,098	897
MEMPHIS, TENNESSEE	2	3	9	15	15	6,585	931	7,016
ST. LOUIS, MISSOURI	---	---	2	1	---	---	53	55
NEW ORLEANS, LOUISIANA	3	4	7	5	662	15,507	1,630	15,617
PHOENIX, ARIZONA	---	1	5	11	---	95	369	2,777
COLUMBUS, OHIO	---	4	5	7	---	564	3,410	2,128
SEATTLE, WASHINGTON	4	5	15	19	615	266	2,025	5,586
JACKSONVILLE, FLORIDA	---	---	---	---	---	---	---	---
PITTSBURGH, PENNSYLVANIA	3	1	10	7	15,345	590	15,945	1,607
DENVER, COLORADO	3	1	9	7	559	242	1,549	242
TOTAL 25 CITIES	159	130	516	516	99,828	76,534	236,044	387,269
BALANCE OF COUNTRY	576	464	2,137	1,807	142,936	126,618	553,740	513,475
TOTAL UNITED STATES	756	594	2,653	2,323	242,764	202,990	789,834	900,724

SIZE OF LIABILITIES (Thousands of Dollars)

SIZE OF LIABILITIES BY INDUSTRY GROUP	APRIL 1979 NUMBER	APRIL 1979 PER CENT	APRIL 1979 CURRENT LIAB.	APRIL 1978 NUMBER	APRIL 1978 PER CENT	APRIL 1978 CURRENT LIAB.	FOUR MONTHS 1979 NUMBER	FOUR MONTHS 1979 PER CENT	FOUR MONTHS 1979 CURRENT LIAB.	FOUR MONTHS 1978 NUMBER	FOUR MONTHS 1978 PER CENT	FOUR MONTHS 1978 CURRENT LIAB.
MINING & MANUFACTURING	114	100.0	72,694	94	100.0	79,294	385	100.0	262,436	352	100.0	456,726
Under $5,000	--	--	--	--	--	--	1	0.3	1	--	--	--
$5,000 to $25,000	5	4.4	71	5	5.3	94	23	6.0	305	27	7.7	450
$25,000 to $100,000	32	28.1	1,725	24	25.5	1,291	111	28.8	5,560	111	31.5	5,447
$100,000 to $1,000,000	63	55.2	17,630	62	66.0	11,407	202	52.5	52,490	172	48.9	58,014
$1,000,000 and Over	14	12.3	53,265	10	10.6	66,512	48	12.5	196,012	42	11.9	392,815
WHOLESALE TRADE	79	100.0	29,506	71	100.0	33,194	380	100.0	114,175	296	100.0	104,699
Under $5,000	1	1.3	4	--	--	--	--	0.6	1	--	--	--
$5,000 to $25,000	8	10.1	116	6	8.4	92	26	6.8	362	21	7.1	299
$25,000 to $100,000	17	21.5	991	24	33.8	1,410	77	20.3	3,451	109	36.8	6,426
$100,000 to $1,000,000	43	54.5	15,275	36	47.9	10,420	192	50.5	52,551	126	42.6	35,168
$1,000,000 and Over	6	7.6	13,122	1	1.4	21,256	75	19.8	55,490	20	6.8	62,816
RETAIL TRADE	517	100.0	42,320	257	100.0	35,824	1,156	100.0	200,619	1,026	100.0	149,058
Under $5,000	6	1.2	15	4	1.5	17	18	1.5	49	8	0.7	55
$5,000 to $25,000	63	13.6	857	37	14.4	599	190	16.4	2,979	171	16.7	2,655
$25,000 to $100,000	155	48.9	8,050	130	50.6	7,230	514	44.4	26,299	525	51.2	28,457
$100,000 to $1,000,000	110	54.7	26,106	85	32.5	18,425	414	36.2	99,561	307	29.9	72,719
$1,000,000 and Over	3	0.9	7,512	3	1.2	9,565	17	1.5	69,551	15	1.4	44,856
CONSTRUCTION	132	100.0	25,555	107	100.0	24,890	492	100.0	95,361	386	100.0	75,094
Under $5,000	2	1.5	6	1	1.0	5	3	0.6	9	6	1.6	24
$5,000 to $25,000	21	15.9	292	12	11.2	216	55	11.2	673	55	14.2	925
$25,000 to $100,000	55	41.7	2,970	50	46.7	2,646	195	39.6	10,595	166	43.0	9,632
$100,000 to $1,000,000	49	37.1	11,615	36	33.5	10,485	225	45.7	58,893	147	38.1	41,572
$1,000,000 and Over	5	3.8	10,675	6	5.6	10,940	14	2.9	25,013	12	3.1	23,141
COMMERCIAL SERVICE	97	100.0	72,668	78	100.0	51,566	296	100.0	117,418	285	100.0	135,147
Under $5,000	--	--	--	4	5.1	13	4	1.5	10	9	3.2	38
$5,000 to $25,000	19	20.6	249	9	11.6	134	59	19.8	156	43	15.2	659
$25,000 to $100,000	53	55.9	1,677	29	37.2	1,447	117	39.5	6,190	107	37.4	5,605
$100,000 to $1,000,000	33	35.9	8,849	32	41.0	8,857	105	35.2	28,794	111	39.2	29,254
$1,000,000 and Over	7	7.6	62,064	4	5.1	20,885	15	4.6	81,588	15	4.6	99,611
TOTAL UNITED STATES	734	100.0	242,764	594	100.0	202,990	2,653	100.0	789,854	2,325	100.0	900,724
Under $5,000	9	1.2	25	9	1.5	35	28	1.1	76	23	1.0	93
$5,000 to $25,000	96	13.1	1,365	69	11.6	1,105	353	13.3	5,465	317	13.6	4,938
$25,000 to $100,000	292	39.8	15,413	257	43.3	14,320	1,041	39.2	57,105	1,018	43.8	56,967
$100,000 to $1,000,000	302	41.1	79,527	229	38.6	59,594	1,115	42.0	299,066	865	37.2	232,527
$1,000,000 and Over	35	4.8	146,654	30	5.0	127,936	116	4.4	428,124	102	4.4	606,199

FAILURES BY FEDERAL RESERVE DISTRICTS BY DIVISIONS OF INDUSTRY, APRIL 1979
(Liabilities in Thousands of Dollars)

FEDERAL RESERVE DISTRICTS BY INDUSTRY GROUP	MANUFACTURING NUMBER	MANUFACTURING CURRENT LIAB.	WHOLESALE TRADE NUMBER	WHOLESALE TRADE CURRENT LIAB.	RETAIL TRADE NUMBER	RETAIL TRADE CURRENT LIAB.	CONSTRUCTION NUMBER	CONSTRUCTION CURRENT LIAB.	COMM. SERVICE NUMBER	COMM. SERVICE CURRENT LIAB.	U. S. TOTAL NUMBER	U. S. TOTAL CURRENT LIAB.
Boston	5	8,367	--	--	10	959	2	115	5	5,080	22	10,842
New York	24	39,868	11	6,504	48	5,141	6	204	11	15,490	100	65,741
Philadelphia	2	357	5	5,911	22	2,421	7	1,190	5	2,900	57	10,769
Cleveland	5	1,441	4	1,461	12	1,340	6	1,245	7	13,504	36	19,191
Richmond	5	5,560	5	192	20	4,190	20	5,605	5	115	51	11,652
Atlanta	7	1,114	10	2,358	29	5,051	11	6,697	2	206	59	15,906
Chicago	23	5,887	12	1,905	52	6,097	18	5,590	22	2,665	127	20,140
St. Louis	--	--	4	710	11	1,486	5	353	5	159	21	2,708
Minneapolis	1	550	6	1,222	18	2,545	7	1,683	3	375	35	6,175
Kansas City	6	551	3	511	18	1,698	8	809	4	253	37	3,582
Dallas	5	5,769	8	6,389	13	6,013	8	1,507	5	11,412	37	30,890
San Francisco	55	7,322	15	4,641	64	8,659	34	4,668	26	22,071	172	47,361
Total United States	114	72,694	79	29,506	317	42,320	132	25,556	92	72,668	754	242,764